

1 Randy J. Aliment, WSBA #11440
Michael I. White, WSBA #35409
2 WILLIAMS, KASTNER & GIBBS PLLC
601 Union Street, Suite 4100
3 Seattle, WA 98101-2380
Telephone: (206) 628-6600
4 Fax: (206) 628-6611
Attorneys for Defendant James
5 Stephenson

Honorable Robert H. Whaley

6
7 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

8 STRATEGIC INTENT, LLC, a
Washington limited liability company,
9 d/b/a Palouse Falls Brewing Company,

NO. CV-09-309 RHW

ANSWER OF DEFENDANT
JAMES STEPHENSON

10 JEFFREY A. GREENE and MELINDA
L. GREENE, husband and wife, in their
11 individual capacities, and the marital
community composed thereof,

- AND -

DEMAND FOR JURY

12 Plaintiffs,

13 v.

14 STRANGFORD LOUGH BREWING
15 COMPANY LIMITED, a United
Kingdom Corporation for the regions of
16 Home Counties and Outer London,

17 ROBERT LITTLE and JANE DOE
LITTLE, husband and wife, in their
18 individual capacities, and the marital
community composed thereof,
19

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 1

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 ANTHONY DAVIES and TRACEY
2 DAVIES, husband and wife, in their
3 individual capacities, and the marital
4 community composed thereof,

5 MICHAEL STANLEY ROSS and JANE
6 DOE ROSS, husband and wife, in their
7 individual capacities, and the marital
8 community composed thereof,

9 JAMES STEPHENSON and JANE DOE
10 STEPHENSON, husband and wife, in
11 their individual capacities, and the
12 marital community composed thereof,
13 and JAMES STEPHENSON d/b/a
14 STRANGFORD LOUGH BREWING
15 CO., STRANGFORD LOUGH
16 BREWING COMPANY INC. and
17 STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA,

WAYNE STRIPP and JANE DOE
STRIPP, husband and wife, and the
marital community composed thereof,
and WAYNE STRIPP d/b/a
STRANGFORD LOUGH BREWING
CO., STRANGFORD LOUGH
BREWING COMPANY INC. and
STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA

Defendants.

Defendant James Stephenson answers Plaintiffs' Amended Complaint as follows:

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 2

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 1. Defendant Stephenson lacks sufficient information to answer
2 paragraph 1.1 and therefore denies same. To the extent this paragraph contains
3 allegations concerning Defendant Stephenson, those allegations are denied.

4 2. Answering paragraph 1.2, Defendant Stephenson admits that
5 Plaintiffs Greene operated as members of Plaintiff Strategic Intent, LLC.
6 Defendant Stephenson lacks sufficient information regarding marital status of
7 Greenes and therefore denies same. Defendant Stephenson denies all remaining
8 allegations.

9 3. Defendant Stephenson lacks sufficient information to answer
10 paragraph 1.3 which relates to defendant SLBC and therefore denies same. To
11 the extent this paragraph contains allegations concerning Defendant Stephenson,
12 those allegations are denied.

13 4. Defendant Stephenson lacks sufficient information to answer
14 paragraphs 1.4 through 1.6 and therefore denies same.

15 5. Answering paragraph 1.7, Defendant Stephenson admits that he,
16 along with Wayne Stripp, owned and operated Strangford Lough Brewing Co.,
17 Inc., a Canadian company incorporated in British Columbia (“SLBC NA”).
18 Defendant Stephenson further admits that he is a resident of British Columbia,
19 Canada. Defendant Stephenson denies that he is married. Defendant Stephenson

1 denies that SLBC NA never registered or licensed its business. Defendant
2 Stephenson admits that SLBC NA did not have a contract with Strategic Intent.
3 Defendant Stephenson further admits that SLBC NA sold its interest to Legbiter,
4 LLC, an entity believed to be owned and controlled by Defendants Robert Little
5 and Anthony Davies, prior to the date Strategic Intent entered into the contract at
6 issue with SLBC. Defendant Stephenson denies all remaining allegations made.

7 6. Answering paragraph 2.1, Defendant Stephenson denies that he
8 pursued purposeful acts and business within Washington State. Defendant
9 Stephenson lacks sufficient information to answer claims which relate to other
10 defendants and therefore denies same. Defendant Stephenson denies that he
11 committed tortious acts in Washington State.

12 7. Defendant Stephenson denies allegations made personally against
13 him in paragraph 2.2. Defendant Stephenson denies allegations which relate to
14 SLBC NA. Defendant Stephenson lacks sufficient information to answer claims
15 which relate to other defendants and therefore denies same.

16 8. Defendant Stephenson denies paragraph 2.3.

17 9. Defendant Stephenson denies allegations made personally against
18 him in paragraph 2.4. Defendant Stephenson lacks sufficient information to
19 answer claims which relate to other defendants and therefore denies same.

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 4

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 10. Paragraph 2.5 is not directed at Defendant Stephenson and therefore
2 does not require a response. To the extent this paragraph contains allegations
3 concerning Defendant Stephenson, those allegations are denied.

4 11. Defendant Stephenson lacks sufficient information to answer
5 paragraph 2.6 which relates to defendant SLBC and to Plaintiffs and therefore
6 denies same. To the extent this paragraph contains allegations concerning
7 Defendant Stephenson, those allegations are specifically denied.

8 12. Defendant Stephenson denies paragraph 2.7.

9 13. Answering paragraph 2.8, Defendant Stephenson admits that he is
10 not a party to the contract between Strategic Intent and SLBC. Defendant
11 Stephenson lacks sufficient information to answer paragraph 2.8 which relates
12 primarily to defendant SLBC and to Plaintiffs and therefore denies same.
13 Defendant Stephenson denies that there is joint and several liability amongst
14 Defendants, and specifically denies all allegations regarding personal liability.
15 To the extent this paragraph contains allegations concerning Defendant
16 Stephenson, those allegations are denied.

17 14. Answering paragraph 2.9, Defendant Stephenson lacks sufficient
18 information to answer claims made against other defendants regarding this
19 Court's jurisdiction over said defendants and of the subject matter of this action

1 and therefore denies same. Defendant Stephenson denies that the court has
2 jurisdiction over him and denies that the laws of the State of Washington apply to
3 Plaintiffs' claims against him.

4 15. Paragraphs 3.1 through 3.4 are not directed at Defendant Stephenson
5 and therefore do not require a response. To the extent these paragraphs contain
6 allegations concerning Defendant Stephenson, those allegations are denied.

7 16. Answering paragraph 4.1, Defendant Stephenson incorporates his
8 answers to the preceding paragraphs.

9 17. Paragraph 4.2 is not directed at Defendant Stephenson and therefore
10 does not require a response. To the extent this paragraph contains allegations
11 concerning Defendant Stephenson, those allegations are denied.

12 18. Answering paragraph 4.3, Defendant Stephenson denies allegations
13 made personally against him. Defendant Stephenson admits that SLBC NA
14 entered into a Master License Rights for North America agreement with SLBC.
15 Defendant Stephenson denies that SLBC NA, prior to the sale to Legbiter, LLC,
16 held itself out to the general public, or to Plaintiffs, as the North American
17 "branch office" of SLBC. Defendant Stephenson lacks sufficient information to
18 answer paragraph 4.3 with respect to facts that occurred after said sale to
19 Legbiter, LLC and therefore denies same.

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 6

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 19. Answering paragraph 4.4, Defendant Stephenson denies allegations
2 made personally against him. Defendant Stephenson denies Plaintiffs'
3 characterization of rights SLBC NA acquired from SLBC and later sold back to
4 Legbiter, LLC, an entity believed to be owned and controlled by Defendants
5 Robert Little and Anthony Davies. Defendant Stephenson admits that
6 information was provided to SLBC NA by SLBC for use in the promotional
7 materials. As to the remaining allegations in paragraph 4.4, Defendant
8 Stephenson answers that the promotional materials speak for themselves;
9 Plaintiffs' characterizations of same are therefore denied.

10 20. Answering paragraph 4.5, Defendant Stephenson denies all
11 allegations, if any, made personally against him. Defendant Stephenson denies
12 Plaintiffs' characterization of rights SLBC NA acquired from SLBC and later
13 sold back to Legbiter, LLC, an entity believed to be owned and controlled by
14 Defendants Robert Little and Anthony Davies. Defendant Stephenson admits
15 SLBC NA solicited potential licensees in the United States for the purpose of
16 engaging in further discussions regarding potential licensing opportunities within
17 the United States. Defendant Stephenson lacks sufficient information regarding
18 SLBC's knowledge regarding SLBC NA activities and therefore denies same.

1 Defendant Stephenson denies that SLBC NA held itself out to be the North
2 American “branch office” of SLBC.

3 21. Answering paragraph 4.6, Defendant Stephenson denies all
4 allegations made personally against him. Defendant Stephenson admits that,
5 based on the information known to it at the time and as provided by SLBC,
6 SLBC NA developed promotional materials for SLBC’s products, including a
7 Licensee Brochure Presentation Transcript. Defendant Stephenson lacks
8 sufficient information to answer paragraph 4.6 with respect to facts that occurred
9 after the sale to Legbiter, LLC and therefore denies same. Defendant Stephenson
10 lacks sufficient information to answer claims made against other defendants and
11 therefore denies same. As to the remaining allegations in paragraph 4.6,
12 Defendant Stephenson answers that the Licensee Brochure speaks for itself;
13 Plaintiffs characterizations of same are therefore denied.

14 22. Answering paragraph 4.7, Defendant Stephenson admits that
15 Strategic Intent, through Jeff Greene, contacted SLBC NA on or about
16 September 24, 2008 to request an orientation meeting in British Columbia.
17 Defendant Stephenson denies plaintiffs’ characterization of conversations
18 between plaintiff and SLBC prior to the sale to Legbiter, LLC. Defendant
19

1 Stephenson lacks sufficient information to answer paragraph 4.7 with respect to
2 facts that occurred after the sale to Legbiter, LLC and therefore denies same.

3 23. Answering paragraph 4.8, Defendant Stephenson admits that SLBC
4 NA met with Plaintiffs on October 7, 2008. Defendant Stephenson denies that
5 the meeting occurred at the invitation of SLBC NA and denies all other
6 allegations made.

7 24. Answering paragraph 4.9, Defendant Stephenson admits that SLBC
8 NA discussed SLBC's products with Plaintiffs at the October 7, 2008 meeting
9 and that SLBC NA distributed a business prospectus. Defendant Stephenson
10 lacks sufficient information to answer claims made against other defendants and
11 therefore denies same. As to the remaining allegations in paragraph 4.9,
12 Defendant Stephenson answers that the business prospectus speaks for itself;
13 Plaintiffs characterizations of same are therefore denied.

14 25. Answering paragraph 4.10, Defendant Stephenson admits that
15 Legbiter, LLC, an entity believed to be owned and controlled by Defendants
16 Robert Little and Anthony Davies, acquired SLBC NA on or about October 30,
17 2008. Defendant Stephenson lacks knowledge of, and therefore denies all
18 allegations regarding, the conduct of SLBC after Legbiter, LLC's acquisition of
19 SLBC NA.

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 9

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 26. Answering paragraph 4.11, Defendant Stephenson denies that SLBC
2 NA and SLBC were part of a “joint franchise arrangement.” Defendant
3 Stephenson lacks sufficient information to answer claims made against other
4 defendants and therefore denies same.

5 27. Paragraphs 4.12 through 4.29 are not directed at Defendant
6 Stephenson and therefore do not require a response. Defendant Stephenson lacks
7 sufficient information to answer claims made against other defendants and
8 therefore denies same. To the extent these paragraphs contain allegations
9 concerning Defendant Stephenson, those allegations are denied.

10 28. Answering paragraph 5.1, Defendant Stephenson incorporates his
11 answers to the preceding paragraphs.

12 29. Answering paragraph 5.2, Defendant Stephenson lacks sufficient
13 knowledge of SLBC’s use of variations on the Strangford Lough Brewing
14 Company moniker and therefore denies same. Defendant Stephenson denies all
15 remaining allegations made.

16 30. Answering paragraph 5.3, Defendant Stephenson admits that
17 Legbiter, LLC, an entity believed to be owned and controlled by Defendants
18 Robert Little and Anthony Davies, acquired SLBC NA on or about October 30,
19 2008. Defendant Stephenson lacks knowledge of, and therefore denies all

1 allegations regarding, the conduct of SLBC after Legbiter, LLC's acquisition of
2 SLBC NA.

3 31. Defendant Stephenson denies the allegations in paragraphs 5.4
4 through 5.7.

5 32. Answering paragraph 6.1, Defendant Stephenson incorporates his
6 answers to the preceding paragraphs.

7 33. Defendant Stephenson denies the allegations in paragraphs 6.2
8 through 6.6.

9 34. Answering paragraph 7.1, Defendant Stephenson incorporates his
10 answers to the preceding paragraphs.

11 35. Paragraphs 7.2 through 7.6 are not directed at Defendant Stephenson
12 and therefore do not require a response. To the extent these paragraphs contain
13 allegations against Defendant Stephenson, those allegations are denied.

14 36. Answering paragraph 8.1, Defendant Stephenson incorporates his
15 answers to the preceding paragraphs.

16 37. Defendant Stephenson lacks sufficient information to answer
17 paragraphs 8.2 through 8.6 and therefore denies same. By way of further answer,
18 Defendant Stephenson responds that neither he, in his individual capacity, nor
19

1 SLBC NA entered into a contract with Plaintiffs. Any mistake by Plaintiffs at the
2 time of contracting did not result from the conduct of Defendant Stephenson.

3 38. Answering paragraph 9.1, Defendant Stephenson incorporates his
4 answers to the preceding paragraphs.

5 39. Answering paragraph 9.2, Defendant Stephenson denies the
6 allegations made personally against him. Defendant Stephenson lacks sufficient
7 information as to claims made against other defendants and therefore denies
8 same. As to the remaining allegations in paragraph 9.2, Defendant Stephenson
9 answers that the marketing plan speaks for itself; Plaintiffs' characterizations of
10 same are therefore denied.

11 40. Defendant Stephenson lacks sufficient information to answer
12 allegations in paragraphs 9.3 and 9.4 and therefore denies same.

13 41. Answering the allegations in paragraph 9.5, Defendant Stephenson
14 denies allegations made against him. Defendant Stephenson lacks sufficient
15 information to answer allegations made against other defendants and therefore
16 denies same.

17 42. Defendant Stephenson denies the allegations in paragraph 9.6.

18 43. Answering the allegations in paragraph 9.7, Defendant Stephenson
19 denies that he made offers within the State of Washington and denies that he had

1 an obligation to register any microbrewery license offers with the State of
2 Washington. Defendant Stephenson lacks sufficient information to answer
3 allegations made against other defendants and therefore denies same.

4 44. Defendant Stephenson denies allegations made against him in
5 paragraph 9.8. Defendant Stephenson lacks sufficient information to answer
6 allegations made against other defendants and therefore denies same.

7 45. Defendant Stephenson denies the allegations in paragraph 9.9.

8 46. Answering paragraph 10.1, Defendant Stephenson incorporates his
9 answers to the preceding paragraphs.

10 47. Defendant Stephenson denies allegations made against him in
11 paragraphs 10.2 through 10.5. Defendant Stephenson lacks sufficient
12 information to answer allegations made against other defendants and therefore
13 denies same.

14 48. Answering paragraph 11.1, Defendant Stephenson incorporates his
15 answers to the preceding paragraphs.

16 49. Paragraphs 11.2 through 11.10 are not directed at Defendant
17 Stephenson and therefore do not require a response. To the extent these
18 paragraphs contain allegations against Defendant Stephenson, those allegations
19 are denied.

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 13

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 50. Answering paragraph 12.1, Defendant Stephenson incorporates his
2 answers to the preceding paragraphs.

3 51. Paragraphs 12.2 through 12.7 are not directed at Defendant
4 Stephenson and therefore do not require a response. To the extent these
5 paragraphs contain allegations against Defendant Stephenson, those allegations
6 are denied.

7 52. Answering paragraph 13.1, Defendant Stephenson incorporates his
8 answers to preceding paragraphs.

9 53. Answering paragraphs 13.2 through 13.9, Defendant Stephenson
10 denies that he, in his individual capacity, caused damages to Plaintiffs.
11 Defendant Stephenson lacks sufficient information to answer remaining
12 allegations and therefore denies same.

13 54. Defendant Stephenson denies all allegations in Plaintiffs' Amended
14 Complaint that are not admitted.

15 55. Answering Plaintiffs' prayer for relief, Defendant Stephenson denies
16 that Plaintiffs are entitled to any relief from Defendant Stephenson.

17 **AFFIRMATIVE DEFENSES**

18 1. Plaintiffs fail to state a cause of action or claim upon which relief
19 can be granted against Defendant Stephenson.

1 2. This Court lacks personal and/or subject matter jurisdiction over
2 Defendant Stephenson.

3 3. Plaintiffs' claims are barred, in whole or in part, by Plaintiffs' failure
4 to mitigate their alleged damages.

5 4. Plaintiffs' claims are barred, in whole or in part, by Plaintiffs' failure
6 to conduct commercially reasonable due diligence prior to entering into a contract
7 with SLBC.

8 5. Any violation of law, which is specifically denied, was not
9 intentional and resulted from a bona fide error, notwithstanding the maintenance
10 of procedures reasonably adopted to avoid any such error.

11 6. Plaintiffs' claims against Defendant Stephenson are barred because
12 the facts alleged by Plaintiffs do not give rise to a claim of personal liability.

13 7. Plaintiffs' claims may be barred by the applicable statutes of
14 limitations.

15 8. Plaintiffs' claims may be barred, in whole or part, by the doctrines of
16 waiver, estoppel, and/or laches.

17 9. Plaintiffs' claims are barred, in whole or in part, because Defendant
18 Stephenson acted in good faith and in a commercially reasonable manner at all
19

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 15

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 times and has complied with all applicable requirements under federal and state
2 law.

3 10. Plaintiffs' claims may be barred by the terms of the various
4 agreements signed by Plaintiffs, including by various disclaimers contained
5 therein.

6 11. If Plaintiffs sustained damages as alleged, which is expressly denied,
7 said damages were directly and proximately caused by the negligence or fault of
8 parties other than Defendant Stephenson, over which Defendant Stephenson had
9 no supervision or control and for whose actions and omissions Defendant
10 Stephenson had and has no legal responsibility.

11 12. Plaintiffs' claims are barred in whole or part to the extent any
12 recovery in favor of Plaintiffs would result in Plaintiffs' unjust enrichment.

13 13. Plaintiffs consented to and approved all the acts and omissions about
14 which Plaintiffs now complain. In addition, Plaintiffs willingly entered into the
15 very agreements by which they claim to have been injured, thereby expressly
16 evidencing consent.

17 14. There is no proximate causation between any alleged acts by
18 Defendant Stephenson and the damages claimed. Plaintiffs' claims are barred by
19 the doctrines of intervening and/or superseding causation.

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 16

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

15. Some or all of Plaintiffs' claims are barred by the Statute of Frauds.

JURY DEMAND

PRAYER FOR RELIEF

A. Dismissal of the claims alleged against Defendant Stephenson, with prejudice;

///

///

///

///

1 C. Such other and further relief as the Court deems just and equitable.

2 DATED this 2nd day of December, 2009.

3 s/Randy J. Aliment

4 Randy J. Aliment, WSBA #11440

5 Michael I. White, WSBA #35409

6 Attorneys for Defendant James Stephenson
and Wayne and Paula Stripp

7 WILLIAMS, KASTNER & GIBBS PLLC

8 601 Union Street, Suite 4100

9 Seattle, WA 98101-2380

10 Telephone: (206) 628-6600

11 Fax: (206) 628-6611

12 Email: raliment@williamskastner.com

13 mwhite@williamskastner.com

14
15
16
17
18
19
ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 18

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of December, 2009, I electronically filed the foregoing with the Clerk of the Court using the CM/EFC system and will send notification of such filing to the following via facsimile and U.S. Mail:

Linda Schauble-Ruff, WSBA #14707
Attorneys for Plaintiffs
AITKEN, SCHAUBLE, PATRICK, NEILL, RUFF & SHIRLEY
P.O. Box 307
Pullman, WA 99163-0307
Telephone: (509) 334-3505
Fax: (509) 334-5367
lruff@pullman.com

The foregoing statement is made under penalty of perjury and under the laws of the United States of America and the State of Washington and is true and correct.

SIGNED at Seattle, Washington, this 2nd day of December, 2009.

s/Michael I. White
Michael I. White, WSBA #35409
Randy J. Aliment, WSBA #11440
Attorneys for Defendant James Stephenson
and Wayne and Paula Stripp
WILLIAMS, KASTNER & GIBBS PLLC
601 Union Street, Suite 4100
Seattle, WA 98101-2380
Telephone: (206) 628-6600
Fax: (206) 628-6611
Email: raliment@williamskastner.com
mwhite@williamskastner.com

ANSWER OF DEFENDANT JAMES STEPHENSON AND
DEMAND FOR JURY - 19

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600